

Department of Legislative Services  
Maryland General Assembly  
2016 Session

FISCAL AND POLICY NOTE  
Third Reader

Senate Bill 579

(Senator Ramirez)

Judicial Proceedings

Environment and Transportation

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Vehicle Laws - Application - Park Model Recreational Vehicles - Definition

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This bill establishes that a “park model recreational vehicle” is considered to be a travel trailer for the purposes of the Maryland Vehicle Law. The bill also defines “park model recreational vehicle” and makes other conforming changes.

The bill takes effect June 1, 2016.

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Fiscal Summary

**State Effect:** General fund revenues decrease, likely minimally, beginning in FY 2016, because vehicles defined by the bill are no longer subject to sales tax but, instead, are subject to excise tax and titling fees paid to the Motor Vehicle Administration (MVA). Thus, Transportation Trust Fund (TTF) revenues increase, also minimally, beginning in FY 2016 and in subsequent years. Expenditures are not materially affected.

**Local Effect:** Local highway user revenues increase, likely minimally, beginning in FY 2016 and in subsequent years.

**Small Business Effect:** Potential minimal.

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Analysis

**Bill Summary:** The bill defines “park model recreational vehicle” as a vehicle that:

- is designed and marketed as temporary living quarters for recreational, camping, travel, or seasonal use;

- is not permanently affixed to real property for use as a permanent dwelling;
- may require a special permit for highway use;
- is built on a single chassis mounted on wheels;
- has a gross trailer area not exceeding 400 square feet in the setup mode; and
- is certified by the manufacturer as complying with the American National Standards Institute A119.5 standard for recreational park trailers.

**Current Law:** A “travel trailer” is defined as a vehicle that is:

- mounted on wheels;
- of such a size and weight as not to require any special highway movement permit when towed by a motor vehicle;
- designed and constructed primarily to provide temporary living quarters for recreational, camping, or travel use; and
- is no longer than 40 feet.

A travel trailer also includes a fifth wheel travel trailer.

A “vehicle” is any device in, on, or by which any individual or property is or might be transported or towed on a highway. “Vehicle” includes a low-speed vehicle and an off-highway recreational vehicle; it does not include an electric personal assistive mobility device.

Subject to specified exceptions, the owner of each vehicle that is in Maryland and for which MVA has not issued a certificate of title has to apply to MVA for a certificate of title of the vehicle. All travel trailers are subject to the same motor vehicle laws as passenger vehicles; thus, they must be titled.

**Background:** Approximately 8.9 million households in the United States own a recreational vehicle (*e.g.*, motor home, travel trailer, truck camper), according to the Recreation Vehicle Industry Association (RVIA). A 2011 survey commissioned by RVIA reports that the average recreational vehicle owner is 48 years old, with a median income of \$62,000.

**State Revenues:** The bill affects both general fund and special fund revenues beginning in fiscal 2016, due to the bill's June 1, 2016 effective date. General fund revenues decrease because park model recreational vehicles are no longer subject to the 6% sales tax rate, and TTF revenues increase because park model recreational vehicles are, instead, subject to the excise tax and titling fees (including a lien fee).

However, the magnitude of the effect on revenues depends on how many recreational vehicles (as defined under the bill) are purchased in the State in future years and how many of those vehicles are titled in Maryland. Likewise, any park model recreational vehicles already in Maryland would not be subject to the excise tax (since they have already paid sales tax) but are subject to titling fees. MVA advises that there are not many such vehicles in Maryland and that is not likely to change. Thus, the effect on revenues is likely minimal, but a precise amount cannot be reliably estimated at this time.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 922 (Delegate Beidle, *et al.*) - Environment and Transportation.

**Information Source(s):** Recreation Vehicle Industry Association, Office of the Attorney General (Consumer Protection Division), Department of State Police, Maryland Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - February 22, 2016  
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